



Labor & Economic Briefing

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Here is a summary of headlining accomplishments from the last month:

Promoting Manufacturing Industry

Governor Announces Launch of Website to Promote Manufacturing: Governor Jennifer M. Granholm announced the launch of an innovative state website aimed at encouraging young people to explore careers in the manufacturing industry. The website, <http://www.michigan.gov/mfgcareers>, targets a 12- to 24-year-old audience by featuring techno music, flash animation, a virtual tour of a General Motors plant, interviews with teens, and the state of Michigan's first blog. The site was unveiled at General Motors Lansing Grand River Assembly Plant by Michigan Department of Labor & Economic Growth Director David C. Hollister and Department of Information Technology Director Teri Takai, whose departments partnered in recent months to develop the site. The GM Lansing Grand River Assembly Plant staff and Michigan Manufacturers Association assisted with the launch. The introduction features historic factory images from the Henry Ford Collection, which are symbolically shattered and replaced with techno music and photos from today's high-tech manufacturing setting. "This is not your average state of Michigan website. Its cutting edge design reflects the fact that Michigan is shattering outdated stereotypes about the manufacturing industry," Granholm said. "The state is working to prepare a 21st century workforce to fill the estimated 20,000 jobs that are expected to open annually due to retirements of baby boomers. We want students, teachers and parents to visit this site and get a second look at the types of exciting and well-paid careers available now and in the future." The theme of the website is "New Age, New Look, and New Opportunities." The website highlights career options that are available in a variety of manufacturing settings including automotive, aerospace, nanotechnology, and computers. Job titles featured include human resources, purchasing agents, safety engineers, electricians, and pipefitters. Hollister said Michigan has a lot to offer young people interested in manufacturing careers since it's the No. 1 state for automotive research and development (R&D), spending \$10.3 billion annually and employing over 60,000 professionals. The state is No. 2 in the nation for overall R&D expenditures. Michigan Manufacturers Association Director of Education and Employment Relations Amy Shaw said the website is needed to help meet its members' demand for high-tech workers. According to the MMA, manufacturing contributes 23 percent of the state's Gross State Product – nearly \$74 billion out of a total \$230 billion. Additionally the manufacturing industry employs some 710,000 workers of the state's total workforce – about 17 percent. "There is a growing need for skilled employees in the Michigan manufacturing industry, as the sector continues to modernize and the 'baby boom' generation prepares for retirement. Most jobs in the industry will require post-secondary training, technical skills and experience," Shaw said. "We applaud the state for creating this tool so students, parents and teachers can learn more about Michigan's manufacturing industry, which is one of the most diverse in the world."



**Governor
Jennifer M.
Granholm**

Governor Celebrates Neogen Expansion: Gov. Granholm joined local officials and company executives on Oct. 4th in a ribbon-cutting ceremony for Neogen Corporation's new manufacturing facility in Lansing. "This company was born of an idea, a little start-up money and lot of hard work by a few individuals at Michigan State University, and today it employs hundreds of people here in mid-Michigan" Granholm said. Neogen, which is headquartered in Lansing, has facilities in four other states and three foreign countries. The company had outgrown a veterinary instruments manufacturing facility in Chicago and a dehydrated culture media production facility in Baltimore. The company chose to invest \$1.1 million in consolidating the two facilities in Lansing and renovated the abandoned Dudley Paper Company building to house the new plant. The facility provides Acumedia Manufacturing, Inc., a subsidiary of Neogen Corp., with 50,000 square feet of space for manufacturing, warehousing, distribution, and research and development. Granholm frequently cites Neogen Corporation as the type of company that she is looking to bring to Michigan with her \$2 billion proposal to diversify the state's economy. This investment will allow the state to invest in cutting edge companies that are developing the products – and the jobs – of the 21st century.



Gov. Granholm helped with a ribbon-cutting ceremony at Neogen Corporation's new manufacturing facility in Lansing

Creating & Retaining Michigan Jobs

Governor Announced Renaissance Zones for Ethanol Plants in Barry, Calhoun and St. Clair Counties: Governor Granholm recently announced the approval of tax-free Agricultural Renaissance Zones in Barry, Calhoun and St. Clair counties to encourage the construction of three new ethanol production plants. The plants are expected to create 93 new jobs through \$220 million in new private investment. The designations of the tax free Renaissance Zones were approved by the Michigan Strategic Fund board on August 18 and received final approval by the State Administrative Board on September 20. Agricultural Processing Renaissance Zones are geographical areas designated as tax-free for eligible agricultural processing companies that plan to build a new facility or significantly improve an existing facility within the zone. The following companies plan to build ethanol plants in the zones:

- In the agricultural processing business since 1947, **The Andersons Corporation** plans to build a 55-million-gallon dry mill fuel ethanol plant in Calhoun County, Sheridan Township next to its existing grain processing facility in Albion. The project is expected to create 30 new jobs and \$70 million in private investment. The size of the zone is expected to be 39 acres and remain free of state and local taxes for up to 15 years.
- **Superior Corn Products**, a subsidiary of U.S. Bio-Energy Incorporated, plans to build a new ethanol plant in Barry County, Woodland Township. The project is expected to create 33 new jobs and \$55 million in private investment. The zone is expected to be 49 acres and remain tax free for nearly 15 years.
- **Marysville Ethanol** plans to invest \$95 million to build an ethanol plant in Marysville in St. Clair county. The project is expected to create 30 new jobs. The zone will comprise 42 acres and remain free of state and local taxes for seven years.

Funding for Expansion of Machine Tool & Gear in Corunna to Create 60 New Jobs: A \$600,000 grant to the city of Corunna will help Machine Tool & Gear expand its operations there. The project, announced by Gov. Granholm on September 13, is expected to create 60 new jobs and \$5.7 million in private investment. The grant is being made available by the MEDC with funds provided by the federal Community Development Block Grant program. The city will use the grant to upgrade the water main and other water transmission equipment to support the expansion. The city of Corunna will contribute \$125,000 from the city's water fund for the project. Machine Tool & Gear, a division of Newcor Inc., manufactures a variety of precision-machined rubber and plastic components for the automotive and agricultural industries. The company employs 227 people in Corunna. Its parent company is based in Royal Oak and employs about 1,000 skilled workers in Indiana, Michigan and Wisconsin.

Granholm Celebrates New Wyandotte Development: Gov. Granholm joined state, county and city officials in Wyandotte on September 9 to celebrate the transformation of a contaminated former site of the McCord Corporation manufacturing facility into a new mixed-use residential development. The project, which will bolster the community's economy and improve the quality of life of its residents, is being undertaken as a result of a state brownfield tax incentive approved by the MEDC. The Labadie Park Neighborhood, located at the intersection of Labadie and 2nd streets, will include 92 market-rate homes including townhouses, terrace apartments and three sizes of single family units. The project will create two new jobs, both property management positions. In April, Granholm announced a \$1 million brownfield Single Business Tax credit for Labadie Park LLC to help with the removal of hazardous materials and cleanup of the 7.3-acre site. Over the past few months the abandoned factory has been demolished and the site tested and certified as meeting quality standards for unrestricted residential use. The city of Wyandotte agreed to assist the project with repayment of a \$988,500 federal Brownfield Cleanup Revolving Fund loan.



The Governor presents a \$300,000 Community Development Block Grant check to Delhi Charter Township Supervisor Stuart Goodrich. To the Governor's left is Stealth Medical Technologies, LLC President Mike Miller. In the background is Gary Smith, a member of the township's Downtown Development Authority.

Governor Presents Grant to Create 50 New Jobs in Delhi Charter Township: The Governor announced a \$300,000 grant that will help Stealth Medical Technologies LLC expand its manufacturing operations in Holt within Delhi Charter Township. The project is expected to create 50 new jobs and generate \$8 million in private investment. The grant is being made available by the Michigan Economic Development Corporation with funds provided by the federal Community Development Block Grant program. Delhi Charter Township will use the funding to construct a new road, curb, gutter and sidewalks as well as relocate water and sewer lines to accommodate the 51,000-square-foot-expansion of the medical device manufacturer. The township will contribute an additional \$300,000 to the project through its Downtown Development Authority. The township recently approved the creation of a new Industrial Development District that will allow Stealth and other eligible companies within a 42-acre site to take advantage of local tax abatements to encourage new investments and job creation. Headquartered in Holt, Stealth Medical is a leading manufacturer of high-quality custom forgings for the medical device implant industry. The company presently employs about 155 people.

Joint Venture between French and Michigan Companies Praised: DLEG Director Hollister hailed French company Agro Industrie Recherches et Développments' (ARD) decision to form a joint venture with Diversified National Products (DNP), a Scottville, Michigan company that is diversifying the state's agriculture industry through innovative, patented technology. The venture was also announced the same day by French President Jacques Chirac at Pomacle, France, home of ARD. The joint venture is focused on the production of succinic acid from "green" sources. Succinic acid has enormous global demand for everything from industrial solvents and biodegradable polymers to airport runway de-icers. DNP's growth in Michigan has been assisted by a Single Business Tax credit Gov. Granholm announced in April 2004 under the state's brownfield redevelopment program. At that time DNP committed to invest more than \$9.1 million to redevelop a vacant, contaminated site in the city of Scottville to accommodate a morel mushroom production facility. The state tax credit, approved by the Michigan Economic Development Corporation and valued at approximately \$750,000, supported preparation of the 51.6-acre site located at 506 State Street. The company has created 50 new Michigan jobs as a result. Fifteen of DNP's patents have sprung from the research of Kris Bergland, a Michigan State University Distinguished Professor and DNP's chief science officer. DNP's technology to make succinic acid is notable because of its organic sources. Succinic acid is made from natural sugars, such as Michigan corn or French wheat. DNP is a privately held company which includes investment from Toyota Tsusho Corporation, Japan Asia Investment Corporation and TTC-RMA Venture Partners LLC (TRVP). TRVP is a technology investment and incubation company jointly owned by Toyota Tsusho Corporation of Nagoya, Japan, and Roberts Mitani Advisors, LLC of New York.

High-Tech Expansions to Spur \$35 Million Investment, Create/Retain 896 Jobs: Gov. Granholm announced major expansions by a Japanese auto supplier and a Michigan-based military contractor on August 23. In Battle Creek, auto supplier I I Stanley Company Inc., a member of the Japan-based Stanley Electronic Company LTD, will invest \$31.6 million to expand its operations over the next two years. American Systems Technology Inc. (ASTI) will invest \$3.7 million to grow R&D operations at its headquarters in Troy.

- I I Stanley will construct a 100,000 square-foot addition, including a 60,000 square-foot state-of-the-art clean room electronics production facility. The project is expected to create 50 new jobs and retain 670. The new high-tech facility will enhance the company's manufacturing abilities and increase its ability to compete in the global economy. An incentive package valued at \$4.2 million offered by the MEDC and the city of Battle Creek convinced the company to expand in Michigan rather than in Tennessee. I I Stanley is a manufacturer of advanced lighting and electronic products for the automotive industry.
- American Systems Technology Inc. (ASTI) will invest \$3.7 million to grow its research and development operations in Troy. The expansion will create 176 new jobs, including 164 high-tech jobs directly by the company. Assistance offered through the MEDC in the form of a Single Business Tax credit and valued at more than \$2.5 million helped convince the company to choose Michigan over Alabama. The city of Troy, Oakland County, Automation Alley, Walsh College and the Troy Chamber of Commerce will also provide benefits to the company valued at more than \$26,000 including training assistance, worker recruitment, additional office space and memberships to the city's aquatic center and chamber of commerce. ASTI provides advanced electronics and information technology solutions with strategic focus on military ground vehicles.

Brownfield Projects in Detroit, East Lansing Give Rise to \$70.6 Million Investment: Gov. Granholm announced the state will help transform vacant downtown sites in Detroit and East Lansing into new housing, retail, commercial and office developments, creating up to 318 new jobs and generating more than \$70.6 million in private investment. The projects assisted by state and local brownfield tax capture incentives approved by the MEDC are as follows:

- The **city of Detroit** will utilize state and local tax capture valued at \$8.1 million to help redevelop the Argonaut building in Detroit's New Center area to accommodate housing, commercial and retail opportunities. Developer Orton Development Inc./Midway Corporate Plaza LLC will invest \$67 million to restore and rehab the historic 11-story building to include 275 one- and two-bedroom lofts, 84,000 square feet of office space and about 15,000 square feet of retail shops and parking facilities for up to 800 vehicles. This project is also approved for a brownfield Single Business tax credit valued at \$5.6 million.
- The **city of East Lansing** will work with developer Corey Partnership LLC to demolish a vacant structure at the northeast corner of Bailey Street and East Grand River and rebuild a new, four-story building with the help of tax capture valued at \$514,000. The new building will house 27 one- and two-bedroom apartment units and about 4,575 square feet of retail space. Corey Partnership will invest approximately \$3.6 million in the project, which is expected to create 10 new jobs. The East Lansing Downtown Development Authority will also contribute \$132,000 towards the redevelopment. The project also received a brownfield Single Business Tax credit valued at \$300,000. The project is one of three private sector development efforts that are part of the Michigan's Cool Cities project for East Lansing.

Hazekamp Meats Marks 100 Years with Expansion of Fruitport Operations: Fruitport-based Hazekamp Meats is observing the start of its second century by expanding existing operations. The expansion is expected to create 40 new jobs and generate \$850,000 in private investment. It is supported by a \$400,000 grant made available to Fruitport Charter Township by the MEDC with funds provided by the federal Community Development Block Grant program. Fruitport will use the funding for township water system upgrades to accommodate the expansion, and contribute an additional \$120,000 to the project. Hazekamp started as a meat-packing facility in 1905. The company has since expanded its capabilities to process other fresh food products and serves major retail companies across the Midwest. It currently employs 105 people.

Community Development Block Grants Foster Business Expansions Around the State: Businesses in three communities will be able to expand thanks to grants provided by the federal Community Development Block Grant program and made available by the MEDC:

- A \$400,000 grant will help **Western Lime Corporation** establish its first Michigan production facility in the Upper Peninsula's Mueller Township in Schoolcraft County. The township will use the funding to support construction of a 2,100-foot rail spur to connect Western Lime's Port Inland site with the Port Inland Railroad. The company will invest \$27.6 million in construction, new machinery and equipment and electrical improvements creating 20 new jobs. In operation since 1847, the family-owned lime processing company is based in West Bend, Wisconsin where it currently operates two production facilities employing about 95 people processing lime for varied applications, including cement and masonry products, as well as for agricultural and water filtration uses.
- Phoenix Composite Solutions LLC will expand its operations in northeast Michigan, contributing to the ongoing redevelopment of the former Wurtsmith Airforce Base. The project is expected to create 100 new jobs and \$1.1 million in private investment. Oscoda Charter Township will use the grant of \$1,170,000 to renovate an 80,000-square-foot building leased by the company from the Oscoda-Wurtsmith Airport Authority. Building improvements will include electrical and insulation upgrades, roof repairs and structural modifications to accommodate two autoclaves and two clean rooms, floor support for presses and a balancer, and a new loading dock. The Airport Authority will contribute \$130,000 for the project. Phoenix Composite Solutions employs 50 workers in the design, repair, overhauls and manufacture of bonded metallic and composite structures including airframes, engine and fuselage components, doors, and wings for the aerospace industry.
- Grant funding in the amount of \$300,000 to the city of Lapeer will help Gestamp Automotive expand its existing stamping operations in the community. The project is expected to create 40 new jobs and generate \$784,430 in private investment. The city of Lapeer will use the funding to make road improvements on Fair Street and construct a new road from the facility to Oregon Road to accommodate increased truck traffic. The city will contribute \$104,500 to the project. Spanish-owned Gestamp manufactures metal-stamped automotive chassis structural components. The company has 30 plants worldwide and currently employs 47 in Lapeer.

Four Brownfield Projects Will Create 149 New Jobs, \$40 Million Investment: Gov. Granholm announced that underutilized properties in Battle Creek, Detroit, East Lansing and Jackson will be transformed into new housing, retail, commercial and office space, creating more than 149 new jobs. The projects, assisted by brownfield Single Business Tax credits approved by the MEDC, are expected to generate nearly \$40 million in private investment as follows:

- **Battle Creek:** Westbrook Center LLC will use a tax credit valued at \$1 million to help rehabilitate the former Battle Creek Health System Hospital in downtown Battle Creek into a mixed-use development to include 85,000 square feet of senior housing and 175,000 square feet of medical office and retail space. The developer will invest more than \$20 million in the project, which is expected to create more than 60 new jobs. Battle Creek is a proud and active participant in the Michigan Cool Cities initiative.
- **Detroit:** Mercier Development Lafer will use a tax credit valued at \$287,000 to assist with the redevelopment and restoration of the historic Lafer building located at 1323-1325 Broadway in downtown Detroit. The developer will invest more than \$2.8 million to renovate the second through ninth floors to house 16 apartment units, and the first and mezzanine floors to accommodate 3,500 square feet of retail space. The project is expected to create 60 new jobs. This is one of several ongoing projects related to the Michigan Cool Cities initiative in Detroit.
- **East Lansing:** Corey Partnership LLC will demolish a vacant structure located at the northeast corner of Bailey Street and East Grand River and rebuild a new, four-story building with the help of a tax credit valued at \$300,000. The new building will house 27 one- and two-bedroom apartment units and about 4,575 square feet of retail space. Corey Partnership will invest approximately \$3.6 million in the project, which is expected to create 10 new jobs. The East Lansing Downtown Development Authority will also contribute \$132,000 towards the redevelopment of the site. East Lansing received a \$100,000 Cool Cities Neighborhoods in Progress catalyst grant in June 2005.
- **Jackson:** Anesthesia Business Consultants (ABC) will use a \$447,500 tax credit to help redevelop the former Jacobson's store on downtown Jackson's west side and relocate its operations there. The company plans to invest nearly \$4.5 million in the project, which will retain about 210 jobs and create an additional 75. The Enterprise Group of Jackson will also provide a \$200,000 loan to ABC to aid in the redevelopment. ABC is the largest physician practice management company in the U.S., serving thousands of medical professionals specializing exclusively in the practice of anesthesia and pain management.

MEDC's Updated Automotive R&D Directory Now Available: A new, 2005 edition of the Michigan Automotive Research & Development Directory compiled by the Michigan Economic Development Corporation is now available online for viewing or downloading at no charge at <http://www.michigan.org/autotech>. The directory lists facilities devoted to basic or applied vehicle-related research, engineering, testing and/or product development ranging from multi-national, multi-industry conglomerates to one-shop, homegrown enterprises. Rapid growth in the number of high-tech R&D centers locating in the state is apparent with entries for more than 215 companies in 2005, compared to 135 in the original 2002 release. With \$10.3 billion in public and private expenditure, Michigan's automotive-related R&D activity is greater than all the other states combined. Michigan is one of the three global centers of automotive intelligence, along with Western Europe and Japan/South Korea. The state's companies employ some 65,000 professionals in basic and applied vehicle research, prototyping and product and process development. The online directory will be updated regularly, and in a short time new features that include the ability to search by category will be available. Print versions are also available at no charge by calling (517) 335-0838.

Mission Success: Ten Japanese Companies to Invest in Michigan: Wrapping up her five-day investment mission to Japan, Gov. Granholm announced that a total of 10 companies revealed plans to locate or expand in Michigan:

- **Hitachi Automotive** is one of three core member companies of the Hitachi Group, a world leading maker of powerful, corporate transaction oriented mainframes as well as semiconductors, PCs and other information system and telecommunications technologies. In Michigan Hitachi is located in Farmington Hills and employs 130 people.
- **Sekisui Chemical** is a diverse company with a range of products from housing and agriculture to medical, electronics and automotive. Its Voltek division is located in Coldwater where it employs 170 and generates sales of approximately \$60 million.
- **Nippon Antenna** is undertaking a site search for a new R&D facility in Michigan. The company produces a variety of antenna devices, including automotive and satellite systems, and currently has a sales center in Farmington Hills.
- **Nippon Piston Ring** is completing a new plant in Grand Haven under the name NPR Manufacturing Michigan and preparing to hire new workers. The company currently operates its Assembled Camshafts Inc. in Grand Haven.
- **Advanced Special Tools** in Battle Creek will create a new subsidiary called Advanced Plastics Molding in Battle Creek. AST currently employs 55 workers at its manufacturing facility in Battle Creek's Fort Custer Industrial Park.
- **Nakagawa Special Steel** is opening its first sales office in Novi. Nakagawa is a steel trading company, established in 1924, specializing in steel for manufacturing including automotive, industrial machines and home appliances.
- **Taiko Device Technologies** is opening its first North American office in Southfield. Established in 1968, Taiko manufactures and sells various electronics devices such as relay systems for automobile use.
- **A&D Inc.** is establishing A&D Technology Inc. as its wholly owned subsidiary in Ann Arbor to commence development of its DSP (Measurement, Control and Simulation Systems) business in the North American region. The company is investing \$500,000 and hiring several employees. The company also recently acquired MTS Systems Corp.'s Powertrain Technology Division in Ann Arbor.
- **DENSO** will invest \$36 million to expand its North American headquarters in Southfield and create 250 new jobs.
- **Tokai Rika** will invest \$50 million to grow its operations in Battle Creek, Jackson, and Plymouth, creating 230 new jobs.

Japan was chosen for the mission because of its high concentration of high-tech, life science and advanced engineering and design firms planning to expand in North America. This was Granholm's second overseas travel as governor, and focused on fostering job-creation leads within the automotive, life science, and alternative energy industries.

Six Development Projects to Create 2,939 Jobs, Spur \$158 Million Investment: As announced by Gov. Granholm, one company expansion and five brownfield redevelopment projects across the state will create and retain up to 2,939 new jobs and attract more than \$158 million in private investment. Incentives from the MEDC were instrumental in helping to launch the projects as follows:

- **1234 Michigan LLC** will use tax capture valued at \$592,000 to transform the former U.S. Army Armory site located near Fuller Avenue and Michigan Street in Grand Rapids into a two-story multi-tenant medical office building. The developer will invest \$6.6 million to demolish the existing structures and construct the 40,350-square-foot building and underground parking facility. The project is expected to create up to 80 new jobs.
- **Big Sky Development** will invest \$6.9 million to transform the former Wohler manufacturing plant in Lansing to accommodate a U.S. Storage Depot facility and additional commercial office space. The redevelopment is expected to create up to 30 new jobs as a result of state and local brownfield tax capture valued at approximately \$435,000. U.S. Storage Depot specializes in climate-controlled storage units. Founded in 1982, the company has established seven Michigan locations.
- The **Downtown Muskegon Development Corporation** will use tax capture valued at more than \$4.5 million to prepare the 23-acre site of the former Muskegon Mall downtown for redevelopment. The city, a Michigan Main Street community, plans to convert the site into a mixed-use complex that will include new housing, office, retail, restaurant and entertainment space. Several buildings that made up the mall have been demolished, and the five buildings remaining will be renovated. The city has begun preliminary engineering to establish pedestrian-friendly streetscapes and underground utilities. Approximately 16 acres will be available for the new buildings and parking. The project is expected to create more than 200 new jobs.
- **Fairmont Square Investors LLC** will use tax capture valued at more than \$1.7 million to help renovate the former site of the Mary Free Bed Hospital in Grand Rapids' East Hills Neighborhood, a 2004 Cool Cities designee, into a mixed-use commercial and residential development. The developer will invest approximately \$11 million to restore the existing structure that will house offices for the Inner City Christian Federation. New buildings will be constructed on the site including approximately 30 condominiums and additional office/retail space. The project is expected to create up to 35 new jobs.
- **Michigan Street Development LLC** will use a \$7.5 million brownfield SBT credit and state and local tax capture valued at more than \$10.5 million to demolish existing buildings and clean up a contaminated site across from Spectrum Health and the Van Andel Institute in Grand Rapids. The developer will invest \$120 million to construct four new buildings that will provide 700,000 square feet of life science research and technology space and help anchor the city's emerging life sciences corridor. A 2,300-space parking deck co-owned by Spectrum Health, Van Andel Institute and Michigan Street Development LLC will be included. The project is expected to create more than 2,000 new jobs.
- **Tiara Yachts**, a division of S2 Yachts, will invest \$14 million to expand at its existing facility in Holland, where it currently has 640 employees. The project will create 594 new jobs, including 400 directly by the company. An incentive package that included a Single Business Tax credit valued at more than \$4.7 million over 13 years and an Economic Development Job Training grant worth up to \$200,000 helped win the project. The city of Holland has proposed local tax abatements totaling approximately \$2.1 million over 12 years to further support the project.

Governor Announces Renovation of Park Shelton Apartments in Midtown Detroit: The landmark Park Shelton Apartments will be renovated into new residential and commercial space with the assistance of a brownfield Single Business Tax credit from the MEDC. The project is expected to generate more than \$10.7 million in private investment and create 100 new jobs. Park Shelton Associates Limited Partnership & Affiliates, in partnership with Kirby Parking Structure LLC, will use a \$1 million brownfield Single Business Tax credit with its own investment of \$10.7 million to help transform the structurally blighted building on the corner of Kirby and Woodward into 220 market-rate condominiums and revamped commercial space. The developer will use the brownfield credit to replace the heating and cooling system and make electrical, plumbing and life-safety system upgrades. The city of Detroit will assist the project through a Neighborhood Enterprise Zone designation. The Park Shelton renovation is one of many projects planned to revitalize Midtown. The University Cultural Center Association, an organization made up of Midtown's cultural, academic, business and community leaders, was recently awarded a 2005 Cool Cities Grant in the amount of \$100,000 to transform vacant property on the corner of Woodward and West Willis into a mixed-use commercial and residential development.

Buena Vista Twp. Factory Site to be Readied for New Manufacturing Plant: A new manufacturing facility for Merrill Fabricators Inc. will be built on the site of a former fertilizer factory in Buena Vista Township with the assistance of a brownfield Single Business Tax credit from the MEDC. The project is expected to generate more than \$2 million in private investment and create and retain 35 manufacturing jobs. The developer, River Street LLC, will use a \$200,000 brownfield Single Business Tax credit with its own investment of \$2 million to construct a 17,000-square-foot heavy-crane facility that will be leased by Merrill to manufacture custom heavy plate and tube components/parts. The assistance offered by the MEDC helped convince Merrill to locate its new operations in Buena Vista Township instead of competing sites in Ohio and South Carolina. The township is expected to support the project through local tax abatements.

Governor Announces Support to Revamp Historic Eddystone Hotel in Detroit: The historic Eddystone Hotel just north of I-75 in Detroit's Midtown area will be restored and redeveloped into new residential and retail space with the assistance of a brownfield Single Business Tax credit from the MEDC. The project is expected to generate more than \$6.4 million in private investment and create 10 new full and part-time jobs. The developer, Eddystone Development LLC, will use a \$641,000 brownfield Single Business Tax credit with its own investment of \$6.4 million to transform the vacant building into 60 one-and two-bedroom loft-style condominiums and street-level commercial space accessible from Park Avenue. Prices of the condos will range from \$140,000 to \$195,000. The project will involve extensive interior and exterior alterations to preserve the 80-year-old hotel's historic character. The project will be assisted by city, county and state tax capture incentives valued at more than \$1.1 million.

State Assistance to Rescue Abandoned Site in Downtown Muskegon: The renovation of a blighted office building in downtown Muskegon will finally be completed with the assistance of a brownfield Single Business Tax credit from the MEDC. The project is expected to generate more than \$3.8 million in private investment and create 60 new jobs. The developer, MSB II LLC, will use a \$388,000 brownfield Single Business Tax credit with its own investment of \$3.8 million to complete the unfinished building located at 715 Terrace Street. The 20,000-square-foot office building will house National City Bank and other financial, legal, insurance and brokerage firms. The city of Muskegon will assist the project with a \$30,000 environmental investigation grant.

Michigan-Canada Trade Supported 174,000 Michigan Jobs in 2004: More than 60% of Michigan's foreign trade is directed across its northern border, \$21.5 billion in 2004. Bilateral trade between Canada and Michigan generated \$70 billion representing an increase of 8% over 2003 and supporting 174,000 Michigan jobs. Each is the other's largest trading partner, with autos, trucks and parts the dominant category of goods. Other Michigan exports to Canada include plastics, industrial machinery and computers; among imports from Canada are natural gas and lumber. Total United States-Canada merchandise trade of \$411 billion supported 5.2 million U.S. jobs.

MEDC Honors Local Economic Development Partners: The Michigan Economic Development Corporation honored Janis Kellogg, economic development specialist with the Northeast Michigan Council of Governments, and Robert Tess, manager of the Economic Development Services Group of the Macomb County Department of Planning and Economic Development, as the 2005 MEDC Partners of the Year. The awards for excellence are based on: how the nominee partners with the MEDC; commitment to job retention and/or attraction; ability to bring diverse groups together; local programs and initiatives championed; unique successes; and, characteristics that set them apart.

James Epolito Takes Lead of MEDC: James Epolito, most recently president and chief executive of the Lansing-based Accident Fund Insurance Co. of America, assumed the role of President and CEO of the Michigan Economic Development Corporation on September 1. The MEDC Board of Directors chose Epolito in June for his successful business experience, vision and relationships within the state's business community. The MEDC's new leader intends to build strong collaborations between state government, local government, community economic development and business leaders, grow Michigan's economy, attract new corporate investments to the state and create good-paying jobs for Michigan workers.



James Epolito

Creating Cool: The Economy of Arts and Culture

Save Dec. 8th on Your Calendar: The 11th Annual Meeting of the Michigan Council for Arts and Cultural Affairs presented by The Department of History, Arts and Libraries and the Department of Labor and Economic Growth is scheduled for Thursday, December 8, 2005 from 8:00 am-4:00 pm at the Lansing Center. The event, titled The Art of Cool Conference, will feature Andrew Zolli, author, futurist and strategist. Also speaking will be strategist and consultant Glen Murray of the Centre for Urban and Community Studies at the University of Toronto. As more details become available, they will be posted at <http://artofcoolconference.com>.



Andrew Zolli

Cool Cities Initiative to Include Blueprints, Main Street Designees from Past Years: Gov. Granholm announced on August 16 that 32 communities formerly designated as Main Street, Blueprints for Michigan's Downtowns and Blueprints for Michigan's Neighborhoods communities are now all eligible to be a part of the Michigan Cool Cities Initiative. The 'cool' designation gives the communities access to additional marketing tools to promote revitalization efforts in their downtowns and adjacent neighborhoods. The affected Blueprints for Michigan's Downtowns communities are: Adrian, Battle Creek, Brighton, Buchanan, Charlotte, Cheboygan, Davison, Imlay City, Ionia, Highland Park, Houghton, Howard City, Jonesville, Linden, Mt. Pleasant, Fremont, Grand Haven, Menominee, Middleville, Norway, Saline and Wayland. The Main Street communities are: Boyne City, Calumet, Clare, Marshall, Muskegon, Niles and Portland. The Blueprints for Michigan's Neighborhoods (formerly Neighborhoods of Choice) are: Cadillac, Kalamazoo and Muskegon. As an official part of the Cool Cities designation, the communities now have access to Cool Cities logos and signs for promotion of their continued revitalization efforts. The Michigan Cool Cities Initiative began as a competitive pilot program in 2003 that awarded \$100,000 catalyst grants to communities for 20 different downtown development projects. Due to its success, the Governor expanded it in 2005 to include the three programs. The MEDC oversees the Michigan Main Street program, and jointly administers the Blueprints for Michigan's Downtowns program with the Michigan State Housing Development Authority (MSHDA). The Blueprints for Michigan's Neighborhoods program is administered jointly by the MEDC, MSHDA and the State Historic Preservation Office.



Department of Labor & Economic Growth director David C. Hollister (left) recently presented a Cool Cities Neighborhood to Grand Haven. Receiving the sign on behalf of Grand Haven is Dick DeSpelder. Grand Haven is receiving more than \$200,000 in technical assistance and training to revitalize and maintain a successful downtown.

Midland, Grand Haven Celebrate Cool Cities Main Street Awards: State officials joined the leaders and citizens of Midland and Grand Haven on July 25 and 28, respectively, to celebrate the communities' Cool Cities Main Street designations announced by Gov. Granholm. The awards, among just four given statewide, will give each city access to technical assistance and training as part of a long-term management approach to revitalizing and maintaining a successful downtown. The program is implemented through a partnership between the Michigan Economic Development Corporation and the Michigan State Housing Development Authority. This is the third year that the MEDC has administered the intensive training program, modeled on the four-step approach developed by the Main Street National Trust for Historic Preservation in Washington D.C. It encompasses promoting long-term design concepts, marketing, community cooperation and organization, and encouraging economic restructuring to strengthen and expand the existing economic base to capitalize on new business opportunities.

Fostering Vibrant Michigan Cities and Urban Centers

Muir Receives Grant for Pumping Station Improvements: Gov. Granholm announced \$206,660 in funding for the village of Muir to support improvements to its water pumping station as part of the Michigan Public Works Program. A federal Community Development Block Grant being made available through the MEDC will back the project, which is expected to increase economic opportunity in the Ionia County community. Improvements will include the installation of a security fence to protect from vandalism and the replacement of a valve which will help improve the water quality of the Maple and Grand Rivers. The village will contribute \$103,340 toward the project. Muir was one of 33 Michigan communities announced in February to receive Michigan Public Works funding, one part of the Governor's \$30 million, two-pronged Grow Michigan Communities Initiative that also includes funding for Michigan's Downtowns and Gateways. The MEDC administers the state's Community Development Block Grant funds received from the U.S. Department of Housing and Urban Development.

Making Michigan a Leader in the Global Economy

Ann Arbor Site of Defense/Homeland Security Conference October 24-25: The two-day Michigan Defense & Innovation Symposium co-sponsored by the MEDC will foster collaboration between research, business and federal government purchasers, offering guidance on U.S. Department of Defense contracting. The event, at the Four Points Sheraton Inn-Ann Arbor, is for non-profit research organizations, universities and high-tech businesses interested in doing R&D for the Department of Defense.

Michigan Ranked #1 U.S. Automotive Power Center for Second Consecutive Year: Gov. Granholm announced that *Business Facilities* magazine has again ranked Michigan the number one automotive power center in the nation, further validating the state's claim to be the best place in the United States-and the world-to design, develop and manufacture vehicles. This is the second year in a row the state has received the publication's top ranking, which was featured in the July issue. California, Ohio, Illinois and Indiana rounded out the top five in this year's rankings. Details of the rankings are currently available on the trade publication's Web site at <http://www.facilitycity.com/>. Business Facilities provides monthly news and resource information for more than 40,000 corporate executives responsible for the expansion or relocation of their companies. The annual automotive rankings are based on data compiled from the 2004 Ward's Motor Vehicle Facts & Figures reported on the Alliance of Automobile Manufacturers Web site. States are evaluated in three equally-weighted categories: auto-dependent workers as a percent of total workforce, auto-related employment, and number of automotive facilities in the state including parts distribution, corporate offices, research and development, sales and marketing, and engineering and design.



Three Michigan High-Tech Firms Receive \$1 Million-Plus in Federal Research Awards: Three Michigan firms were awarded federal funding for development of health analysis software, diagnostic tools and composite materials as follows:

- **BioMedware**, Ann Arbor, has received a two-year, Phase 2 SBIR (Small Business Innovation Research) grant from the National Cancer Institute to develop innovative software that provides public health researchers with geostatistical tools suited to health and exposure analysis. Since its founding in 1995, the company has received nearly \$10 million in federal research grants.
- **Pixel Velocity**, also in Ann Arbor, gained a \$500,000 grant from the National Institutes of Health to develop new tools for diagnosis of heart problems. The U-M Dept. of Internal Medicine will participate in the 18-month project. Funding of \$750,000 received earlier this year from the Technology Tri-Corridor will be applied toward the project.
- **NanoScience Engineering**, a spin-out company from Wayne State University, was awarded an SBIR Phase 1 grant for nearly \$100,000 from the National Science Foundation to develop a manufacturing process to achieve superior properties of nanostructure composite materials aimed at the automotive and packaging markets.

Aastrom Gets Federal Funding to Further Study of Tissue Repair Cells: Ann Arbor-based Aastrom Biosciences Inc. has won a two-year, \$740,000 Phase II Small Business Innovation Research grant from the National Institutes of Health's Institute of Diabetes, Digestive and Kidney Diseases. The award follows a Phase 1 grant by the NIH Institute of Arthritis and Musculoskeletal and Skin Diseases. The grant covers the continuing study of Aastrom's Tissue Repair Cells which include cells derived from a patient's own bone marrow. Studies supported by the grant will be done in collaboration with researchers at Case Western Reserve and University of Michigan. The MEDC awarded a \$2.2 million Life Sciences Corridor grant in 2001 to Aastrom and the Karmanos Cancer Institute at Wayne State University to develop cell therapies.

Troy Firm Success Story Featured in U.S. Army Publication: Troy-based American Systems Technologies Inc., or ASTI, is one of 17 companies (one of two from Michigan) profiled in the 2005 edition of the U.S. Army Phase III Commercialization Brochure, featured for its electronic systems integration technology. ESI was developed by ASTI through SBIR funding from the U.S. Army Tank-Automotive Research, Development and Engineering Center in Warren. After Phase 1 and II SBIR contracts, ASTI has received more than \$1.8 million from the government to advance the technology which enables rapid and cost-effective insertion of new electronics capabilities into military vehicle fleets, including oil condition management, battery management, cargo monitoring, advanced rollover avoidance and wireless networking between vehicles in a convoy.

TechTown SmartZone Business Incubator, NextEnergy Attracts Tenants and Funding: TechTown, the nonprofit research and technology park affiliated with Wayne State University and located in the Detroit/Woodward Technology Corridor SmartZone, is entering its second year with a growing list of 13 tenants at its small-business incubator in the TechOne Building. The businesses include life sciences, information technology and advanced engineering and manufacturing companies. NextEnergy, the nonprofit corporation focused on development of the state's alternative energy technology industry, has opened its new \$12-million, 45,000-square-foot headquarters, also located in the SmartZone. NextEnergy has received more than \$13 million in federal research funds for R&D.

Dendritech to Tackle Zebra Mussel Problem: Midland-based Dendritech Inc. has won a \$500,000 Phase II Small Business Innovation Research grant from the National Science Foundation to continue its research on an environmentally friendly coating to repel zebra mussels. The company's technology is also being studied as a potential repellent to barnacles in saltwater applications. The project will involve scientists from the Michigan Molecular Institute in Midland, Central Michigan University, the Sea Education Association of Woods Hole, Mass. and Gougeon Brothers in Bay City, manufacturer of boat hull resins.

Two Washtenaw County Firms Win Federal Research Projects: Integrated Sensing Systems (ISSYS), Ypsilanti, has won a Phase I SBIR (Small Business Innovation Research) contract from the Navy Surface Warfare Center for a six-month project to develop an improved vacuum packing process for advanced inertial sensors using ISSYS patented technology. Ann Arbor-based T/J Technologies Inc. received a one-year, \$250,000 grant for production of its battery materials for lithium-ion batteries. Over the past 18 months, T/J has won contracts from the U.S. Army Tank and Automotive R&D Center, the Office of Naval Research and NASA (National Aeronautics and Space Administration) to develop the batteries. ISSYS has benefited from Michigan Life Sciences Corridor funding, while T/J Technologies received a prior grant from the Michigan Growth Capital Fund.

Promoting Michigan's Tourism Industry

2005 Major League Baseball All-Star Game Brought \$42 Million to Metro

Detroit: Research by the Detroit Metro Convention & Visitors Bureau reveals that activities connected with the All-Star game at Comerica Park in July had a \$42 million economic impact on the tri-county metropolitan area. With Washtenaw County included, the number rises to \$52.5 million.

Great Lakes Info Network Selects Michigan.org as Site of the Month:

The Great Lakes Information Network is honoring the MEDC's Web site,

<http://www.michigan.org>, as September "Site of the Month" for its importance as a resource to travelers in the Great Lakes area, the quality and timeliness of the information and the site design. The GLIN links hundreds of organizations serving the region. Michigan.org remains the primary source for travel queries received by Travel Michigan, including telephone contacts at (888) 78-GREAT or at any of the state's 13 Welcome Centers.



The 2005 Major League Baseball All-Star Game at Comerica Park brought in \$42 million-plus.

Traverse City Chosen for 2007 National Governors Association Annual Meeting: Gov. Granholm announced the National Governors Association will hold its 99th annual meeting at the Grand Traverse Resort July 20-23, 2007. The annual event draws attendance of 1,200 including governors of the 50 states and other representatives from state and federal governments, the private sector, businesses and the media. The NGA has held its annual meeting in Michigan six times since 1927, most recently in 1987 at the Grand Traverse Resort.

State Tourism Directors Honor Michigan Commercials as Nation's Best: The National Council of State Tourism Directors honored Travel Michigan with a Mercury Award in the radio commercial category at an annual educational seminar for tourism organizations. Travel Michigan's 2004 radio campaign aired in the Chicago, Indianapolis and Cleveland markets. According to a study done by Longwoods International, nearly a million visitors, who would not otherwise have traveled to our fair state, spent \$163 million statewide as a direct result of the ads, generating \$11.5 million in state taxes.

Helping Employers and Workers

Feds Award Anti-SUTA Dumping Grant to UIA: Michigan has received one of the largest grants offered by the U.S. Department of Labor (USDOL) to help states detect and prevent unemployment insurance (UI) tax rate manipulation plans, known as SUTA Dumping. The grant is for \$112,035 and will be used by the Unemployment Insurance Agency (UIA) to train staff and to implement specially developed software that will help eliminate tax manipulation schemes by identifying employers engaged in the practice. UIA expects to receive the software within the next couple of weeks. SUTA Dumping is an escalating problem, costing the state's unemployment insurance trust fund between \$62 and \$95 million a year in lost tax revenues. Grants, totaling \$5 million, were awarded to all 53 states and territories to help them combat SUTA Dumping. Michigan was among 10 states to receive the largest grant amount.

Governor Makes Appointments to Workers' Comp Appellate Commission: Martha Glaser was appointed to succeed William Reamon Jr., and will serve as chairperson of the commission for a term ending at the pleasure of the Governor. The governor also reappointed Gregory Przybylo to a term expiring Sept. 20, 2009, and Granner Ries to a term expiring Sept. 30, 2009.

40 Found Guilty of Working and Collecting Unemployment Benefits: Eleven workers in western Michigan have been found guilty in court of unemployment insurance (UI) fraud for collecting more than \$100,000 in benefits to which they were not entitled, while 29 others face administrative action by UIA. The workers were employed by the Lear Corporation in the Grand Rapids area. They all collected unemployment benefits while working full-time. The 11 fraudulently collected between \$5,405 and \$16,523 each in state jobless benefits, which they must now repay. In addition, they face fines, court costs and community service. The 29 other cases involved smaller amounts ranging from \$181 to \$4,433. In total, the 29 illegally drew more than \$70,000 in unemployment benefits. UIA is taking administrative action against these individuals. Each worker is required to repay the benefits, as well as administrative penalties totaling \$200,700. The cases came to the agency's attention through a tip phoned into UIA's fraud hotline - 1-800-822-1122.

Court Rules Medical Resident Can Claim UI: A student in a medical residency program can claim jobless benefits at the end of the program, according to the Michigan's Court of Appeals. The Court ruled in a case involving a doctor who applied for unemployment benefits after completing her residency in 2000. The Detroit Medical Center (DMC) fought the application but the Unemployment Agency determined in favor of the doctor. The DMC contested the finding and eventually gained favorable decisions after hearings before an administrative law judge and the MES Board of Review. The case was then appealed to the Court. The Court determined the doctor was entitled to benefits because the residency program did not meet requirements of the work-training program exclusion.

Pure Premium Rate for Workers' Comp Coverage to Drop in '06: Michigan's pure premium rate for workers' compensation insurance will drop for the second straight year in 2006, falling by an average of 6.5 percent. The rate is an annual measurement against which private insurance carriers can compare their rate structures for workers' compensation coverage. The rate drop is good news for employers as it means lower costs for workers' compensation coverage. The drop is the ninth rate decline in the past 11 years.

Workers Compensation Seminar Series Held in August: The Workers' Compensation Agency and the State Bar of Michigan, Workers' Compensation Section, co-sponsored a free seminar series in August about Michigan's workers' compensation program. The seminar was open to newcomers and experienced attorneys and encouraged broad-based participation in the workers' compensation system. Entitled "Michigan Workers' Compensation Trial and Practice Seminar," the seminar featured four different sessions conducted on consecutive Wednesdays, starting August 3. The two-hour sessions were teleconferenced to sites in Detroit, Grand Rapids, Lansing and Saginaw. The seminar proved to be quite popular and attracted approximately 200 attendees. In fact, interest in the seminar was such that the Detroit session had to be moved to larger quarters due to the number who wished to attend.

UIA Settles Three More SUTA Dumping Cases: The Unemployment Insurance Agency (UIA) reached settlements with three employers who were involved in SUTA Dumping. The three employers agreed to pay the agency \$55,500 in unpaid taxes, penalties and interest. The employers are a Detroit area landscaping firm, a technology firm recently purchased by a Canadian business and an agricultural operation in western Michigan. All three cases involved the movement of employees from one unemployment tax account to another which resulted in the employers paying less in UI taxes than they should have. The employers have either paid the agency or are in the process of doing so.

UIA Hosts National Meetings: The Unemployment Insurance Agency (UIA) played host to representatives from more than 40 states who came to Michigan to attend two-days of committee meetings of the National Association of State Workforce Agencies (NASWA). The association's Unemployment Insurance (UI) and Information Technology (IT) committees met in Dearborn in July. The committees discussed a number of unemployment insurance program issues, such as target budget allocations from the U.S. Department of Labor for FY 2006, the National Directory of New Hires and results from a pilot test cross match, SUTA Dumping and the enactment of anti-SUTA Dumping legislation in the states, upcoming IT projects the Information Technology Support Center will be working on with test states, and integrity issues important to the UI program.

Protecting Worker Safety



Director Hollister presents a check for \$55,000 to Pete Anderson, Safety Director, and Bart Carrigan, Vice President of the Michigan Chapter AGC.

State Awards \$1.25 Million in Worker Safety & Health Grants: The Michigan Occupational Safety and Health Administration (MIOSHA) has awarded 20 Consultation Education and Training (CET) Grants totaling \$1.25 million to promote worker safety and health. The Consultation Education and Training (CET) Division provides outreach services to employers in a variety of formats. The CET Grant program provides additional options for safety and health education and training to employers and employees. Most of the grants will focus on the performance goals identified in the MIOSHA strategic plan, with a particular emphasis on hazard recognition and prevention for high-hazard manufacturing industries. One critical area of concern is the high-hazard construction industry. Only about four percent of Michigan's workforce is employed in construction—however, construction fatalities account for more than 40 percent of all fatal workplace accidents. DLEG Director David C. Hollister made the announcement at Granger Construction Company's parking structure project on the campus of Michigan State University. The Michigan Chapter Associated General Contractors (AGC) of America is one of the CET grantees, and is providing safety and health training to the workers at Granger's MSU parking structure worksite. Six other grant recipients will provide training to construction workers. CET grants are awarded on a competitive basis to nonprofit organizations, such as universities, management/employer groups, labor/employee organizations, hospitals and service agencies. Grant recipients must detail in their proposals how their efforts will meet one or more of the objectives. The list of grant recipients is at:

http://www.michigan.gov/cis/0,1607,7-154-10573_11472-127621--,00.html.

Focus: HOPE Receives Three State Awards for Outstanding Safety and Health Records: Three Focus: HOPE programs received award from MIOSHA for outstanding safety and health records. The MIOSHA Consultation Education and Training (CET) Division recognizes the safety and health achievements of Michigan employers and employees through CET Awards, which are based on excellent safety and health performance. The three Focus: HOPE programs employ 297 workers, with 240 students and 128 children. Focus: HOPE achieved ISO 9001:2000 quality certification for all of its education and training programs in 2003. Focus: HOPE Manufacturing earned QS 9000 certification in 1998 and TS 16949 in 2004. The organization also has ISO 14001 environmental certification. Their dedication to safety and health is linked to their quality certifications, and to their focus on continual improvement in all of their learning environments. Focus: HOPE, a nationally recognized civil and human rights organization in Detroit, was co-founded in 1968 by Father William Cunningham (1930-1997) and Executive Director Eleanor Josaitis. Their mission is to use intelligent and practical action to fight racism, poverty and injustice. Focus: HOPE programs include a food program for eligible mothers, children and senior citizens; education and training in information technology, manufacturing and engineering; community arts programs; community and economic development initiatives; a manufacturing operation; children's day care and education, conference facilities, and volunteer and outreach activities. Details on the career training programs in manufacturing, engineering and information technology are available on the Focus: HOPE web site at <http://www.focushope.edu>.

MIOSHA Awards Bronze Awards to Connor Sports Flooring and Olympic Steel: The Michigan Occupational Safety and Health Administration (MIOSHA) presented the Bronze Award for an outstanding safety and health record to Connor Sports Flooring's Northern Michigan plant and Olympic Steel Detroit Division. The MIOSHA Consultation Education and Training (CET) Division recognizes the safety and health achievements of Michigan employers and employees through CET Awards, which are based on excellent safety and health performance. The CET Bronze Award recognizes leadership and commitment to workplace safety and health resulting in significant improvement of their MIOSHA record.

•**Connor Sports Flooring's Northern Michigan plant,** through the strong commitment of management and employees, has significantly improved their safety and health record. Connor Sports Flooring Corporation provides state-of-the-art research and development, manufacturing, pricing, customer service and support, to deliver a wide range of wood and synthetic sports floor systems. They are headquartered in Arlington Heights, Illinois, and have a worldwide network of expert sports facilities specialists and installers. The Northern Michigan plant employs 115 workers and makes all of Connor's wood products. The plant is ISO 9001 certified. Prospective customers can tour their production facility to see firsthand their innovative technology in testing and manufacturing processes, which assures the quality and performance of their products.

•**Olympic Steel Detroit Division's** employees and management team spearheaded safety issues and keeping safety foremost in daily operations. Olympic Steel was founded in 1954 and is based in Cleveland, Ohio. The Detroit Division, formerly Lafayette Steel, is one of 13 locations across the U.S. that comprise Olympic Steel. Detroit is unique in the Olympic Steel family because of the product mix that supplies the automotive industry. Other Olympic Steel facilities provide plate and coil material to the heavy industry and building trades. The Detroit Division employs approximately 180 workers and performs

blanking, slitting and cutting-to-length of flat rolled steel. The majority of customers are U.S. auto manufacturers, or their suppliers, and integrated steel mills.

120 Michigan Employers "Take a Stand" for Safety and Health: Across the state, 120 Michigan employers are "Taking a Stand" on Aug. 25th for workplace safety and health! In a historic campaign, the Michigan Occupational Safety and Health Administration (MIOSHA) dedicated more than 125 professional staff to visit Michigan high-hazard industries targeted by the MIOSHA Strategic Plan. MIOSHA safety and health professionals-including compliance staff, outreach consultants, managers, and supervisors-were scheduled on "Take a Stand Day" to provide one-on-one consultations. No CITATIONS or FINES were to be issued for participating workplaces. However, participants agreed to correct all serious conditions. "This unprecedented campaign offers employers the opportunity to partner with MIOSHA-without fear of fines or penalties-to improve their work environment," said DLEG Director David C. Hollister. "I applaud these employers who are stepping up to the plate to make worker safety and health a top priority." During the consultation visit, MIOSHA staff worked cooperatively with the companies to recognize hazardous conditions and to effectively address safety and health issues. MIOSHA staff focused on areas of direct concern to the employers, including:

- Explaining the application of specific MIOSHA rules,
- Conducting a safety and health hazard survey,
- Evaluating the effectiveness of a safety and health system, and
- Providing other technical assistance.

MIOSHA sent information on this campaign to more than 15,000 employers statewide, with nearly 200 companies responding. MIOSHA could not schedule all the responding companies on "Take a Stand Day," however; all companies will be scheduled for a consultation visit from the MIOSHA Consultation Education and Training (CET) Division. "Take a Stand Day" is part of special outreach efforts to commemorate MIOSHA's 30th Anniversary through events that reemphasize the critical importance of workplace safety and health. MIOSHA was created by Public Act 154 of 1974 and became effective in 1975.



MIOSHA Director Doug Kalinowski presented the CET Bronze Award to Olympic Steel in Detroit.



Above, GISH Manager Elaine Clapp and Senior Safety Officer Charles Collier (bottom row) visited ATG Precision Products in Canton. Pictured in the top row are Pat Fitch, Maintenance Manager; David Gibson, Director of Operations; and Eric McDowell, General Manager. Below, CET Health Consultant Vita Gray (second from left) visited Besser Company in Alpena. Pictured from Besser are Duane Rondeau, Safety Director; Ken Radke, Maintenance Manager; and Gary Wallace, Union Rep, Local 209 Steel Workers.





MIOSHA encouraged Michigan businesses to "Stand Down for Safety," and the DLEG Executive Office took the challenge. Nella Davis-Ray, MIOSHA Safety & Health Manager, visited DLEG's offices to meet employees from the Ottawa building and answer questions. MIOSHA posters were displayed so DLEG employees could search for clues in a scavenger hunt to win prizes, who came down to our office for the event. She is standing in front of the board which held all the posters for the scavenger hunt.

MIOSHA Launches "Make a Difference Week" and "Stand Down for Safety and Health Day: Gov. Granholm invited employers and employees across the state to join the Michigan Occupational Safety and Health Administration (MIOSHA) program and celebrate "Make a Difference Week" September 12th through 16th, culminating in "Stand Down for Safety and Health Day" on September 16th. Gov. Granholm issued a proclamation to encourage all employers and employees to place special emphasis on workplace safety and health during this week and throughout the year. The term "Stand Down" refers to taking special action to heighten awareness of worker safety and health through prevention efforts. During "Make a Difference Week," employers throughout Michigan were urged to spend each day on special workplace safety and health activities including Management Commitment and Leadership, Employee Involvement and Participation, Worksite Analysis and Hazard Prevention, Safety and Health Training. Employers with a strong safety and health system report not only reductions in injuries and illnesses, but also positive bottom line benefits, including: lower workers' compensation costs, increased productivity, increased employee morale, lower absenteeism, and lower employee turnover. The MIOSHA Consultation Education and Training (CET) Division has developed a "Toolbox" to help employers improve their safety and health systems. This "Toolbox" contains ideas, activities, and materials that focus on the five major components of a safety and health system. MIOSHA has also developed a "Make a Difference" DVD featuring MIOSHA Director Doug Kalinowski and excerpts from the UAW/Ford/Visteon "2005 Workers' Memorial Day" video. The "Toolbox" also contains a CD with MIOSHA standards and CET publications. The "Toolbox" materials are available on the MIOSHA web page at <http://www.michigan.gov/cet> or from the MIOSHA Consultation Education and Training (CET) Division at 517.322.1809.

"Employers with a strong safety and health system report not only reductions in injuries and illnesses, but also positive bottom line benefits, including: lower workers' compensation costs, increased productivity, increased employee morale, lower absenteeism, and lower employee turnover."

Construction Association of Michigan (CAM) and MIOSHA Form Alliance to Protect Construction Workers: A strategic alliance between the Construction Association of Michigan (CAM) and the Michigan Occupational Safety and Health Administration (MIOSHA) was made to protect the safety and health of Michigan's construction workers. The construction industry is one of the most hazardous industries in Michigan. Only about four percent of Michigan's workforce is employed in construction-however, construction fatalities account for more than 40 percent of all fatal workplace accidents. Frank Nutt, Jr., Chairman of CAM; Kevin N. Koehler, President of CAM; Doug Kalinowski, Director, MIOSHA program; and Connie O'Neill, Director, MIOSHA Consultation Education and Training (CET) Division, signed the alliance at the Palace of Auburn Hills. CAM member Frank Rewold and Son, Inc., is the construction manager for the North Entry Addition expansion project at the Palace. Alliances enable organizations committed to workplace safety and health to collaborate with MIOSHA to prevent workplace injuries and illnesses. Alliances are open to all groups, including: trade or professional associations, businesses, labor organizations, educational institutions, and government agencies. The Construction Association of Michigan, the oldest and largest regional construction association in North America, has been serving its members since 1885. It is a trade association of over 3,700 commercial contracting, subcontracting and supply firms. Frank Rewold and Son, Inc., is the construction manager for the Palace expansion project, and is also the first CAM member to participate in the alliance. The key goals of this alliance include: increase communication and collaboration between CAM and MIOSHA; promote increased safety and health awareness by using all of CAM's marketing mediums; foster worker safety and health through education and training opportunities at the jobsite; and facilitate regular and unscheduled CET safety and health hazard surveys. While participation by individual employers is voluntary, MIOSHA anticipates that contractors, who embrace the goals of the partnership and who strive to provide a safe and healthy workplace, will experience a decrease in workplace accidents and illnesses, and a decrease in workers' compensation costs. For more information about forming an alliance or partnership with MIOSHA, please check <http://www.michigan.gov/miosha> or contact the Consultation Education and Training (CET) Division at 517.322.1809.



Signing the Construction Association of Michigan (CAM) alliance were: Kevin Koehler, CAM President (standing); Frank Nutt, CAM Chairman, (from North Electric Supply Company, Inc.); and Doug Kalinowski, MIOSHA Director.

Gestamp US HardTech Operations in Mason Receives SHARP Award for Safety and Health Excellence:

On Aug. 12th, the Gestamp US HardTech operations in Mason became the third facility in the state to receive the prestigious SHARP Award for an exemplary safety and health management system. The company also received the Ergonomic Innovation Award for creative ideas they implemented to reduce worker strain. MIOSHA established the Michigan Safety and Health Achievement Recognition Program (SHARP) Award to recognize employers that have achieved safety and health excellence far beyond their peers. The Michigan SHARP Program targets small, high-hazard employers-to help them develop, implement and continuously improve the effectiveness of their workplace safety and health management system. SHARP provides an incentive for employers to emphasize accident and illness prevention by anticipating problems, rather than simply reacting to them. The MIOSHA Onsite Consultation Program within the Consultation Education and Training (CET) Division operates the Michigan SHARP Program. Onsite consultants work with employers to help them become self-sufficient in managing occupational safety and health. SHARP worksites earn an exemption from "programmed" MIOSHA inspections on a yearly basis. The HardTech Mason operation's Standard Industrial Classification (SIC) Code is 3465 - Automotive Stampings, which is classified as a high-hazard industry. The plant's incidence rates for 2004 are well below the national average for their SIC code. HardTech has significant worker involvement, including an active safety committee. Employees receive appropriate safety and health training and the safety committee participates in the planning and execution of the training. The committee also participates in planning safety and health activities and evaluating safety and health outcomes.



MIOSHA Director Doug Kalinowski presents the SHARP award to Gestamp US HardTech Operations in Mason.

Providing Affordable Housing



Florise Neville-Ewell was elected as MSHDA's first female chair. She joins recently appointed MSHDA Executive Director Michael DeVos.

Housing Authority Elects New Leadership: A new era for Michigan's affordable housing community has been launched with the election of Florise Neville-Ewell as chair and Bernard Gliberman as vice chair of the Michigan State Housing Development Authority (MSHDA) board. Their election follows the recent appointment of Michael DeVos as executive director, setting in motion the creation of landmark advances in affordable housing for low- and moderate-income residents, as well as for those at risk of homelessness, throughout the state of Michigan. Gliberman, the owner and president of several companies engaged in real estate development and finance headquartered in Novi, shares similar feelings as the new board vice chair. According to Executive Director DeVos, the elections are well timed and bring a wealth of expertise and commitment to the Authority's core mission of creating and preserving decent affordable housing for low- and moderate-income Michigan residents. MSHDA is committed to providing low- to moderate-income families with affordable housing through the development of a five-year strategic plan for Michigan's affordable housing community. Loans and operating expenses are financed through the sale of tax-exempt bonds and notes to investors, not from state tax revenues. Proceeds of the bonds and notes are loaned at below-market interest rates to developers of rental housing, and also fund home mortgages and home improvement loans.

New Rental Housing Options for Elderly in Pontiac: The Michigan State Housing Development Authority (MSHDA) announced that 66 units of new rental housing for low and moderate income elderly people will be built in Pontiac with the help of a \$7,611,960 mortgage loan. Village of Oakland Woods II will be located on Opdyke Road in Pontiac on the Presbyterian Villages of Michigan campus. The existing campus is home to the Village Of Oakland Woods I, a 150-unit senior walkup apartment development. Village of Oakland Woods II will consist of 66 two-bedroom, two-bath cottage style units. Amenities will include attached garages, microwaves, central air conditioning, and patios. A community building that will be shared between both phases contains a kitchen, dining room, lounge, fitness rooms, and an arts and crafts room. Village of Oakland Woods II will be financed under the Tax-Exempt Bond Financed Program (TEAM), which offers a financing rate of 5.5 percent interest and a 35-year mortgage term. Thirty of the units will be made available to residents with incomes at or below 60 percent of area median. MSHDA Executive Director Michael DeVos said the investments will create 152 full-time, year-long jobs in construction and related trades. Initial occupancy for Village of Oakland Woods II is scheduled for July 2006.

Executive Director Michael DeVos Rolls Out 5-Year Plan at Affordable Housing

Conference: New Michigan State Housing Development Authority (MSHDA) Executive Director Michael DeVos unveiled an innovative plan that he believes will foster a single community of affordable housing ambassadors to serve the needs of Michigan residents who have the fewest housing options. "Recent legislation created an affordable housing trust fund and it is important to have it fully funded," DeVos explained. "It is hard to ask for funding if you don't know where you are going, and that is a dialogue the community at large needs to have." As a result, DeVos called on conferees to unite as one community to work together on a five-year strategic plan for the Authority, which he expects to unveil at the 2006 affordable housing conference. "This process is designed to be inclusive," he said. "Organizations wanting to participate in the process will be directed to a workgroup related to their specific interests. Each workgroup, comprised of both MSHDA staff as well as external partners, will be challenged to come up with plans and recommendations." The overarching goal is to develop a plan that will serve the affordable housing needs of Michigan residents whose earning levels only produce low to moderate incomes, or who are at risk of homelessness. "When we have done our homework and have crafted a plan that will carry us through the next five years, we will request funding for the housing trust fund as part of the 2006-2007 Fiscal Year budget process," DeVos said. "I see this process as the way to take care of our own, and a way to build community while we improve the lives of Michigan citizens who have the fewest housing options."



Executive Director Michael DeVos presents MSHDA's 5-year plan.

Governor Announces Approval of Low Income Housing Tax Credits; Creates More Than 2,500 Jobs for Jobs Today Initiative:

Gov. Jennifer Granholm announced that nearly 1,400 units of affordable rental housing will be built or renovated for modest income Michigan families, the elderly, people with disabilities, and those at risk of homelessness as a result of awards of federal Low Income Housing Tax Credits (LIHTC) approved by the Michigan State Housing Development Authority (MSHDA) earlier this week. These awards create an infusion of \$157.5 million dollars into the jobs market and can generate 2,000 yearlong jobs in construction and related trades. "These tax credits are a win for Michigan's citizens and a win for Michigan's economy," Granholm said. "The credits help ensure that more citizens can have access to affordable health care and will help to create more than 2,500 jobs across the state through new construction and new development." MSHDA Executive Director Michael R. DeVos said a portion of the total award would provide units of rental housing for disabled Michigan residents as well as those individuals and families at risk of homelessness. "One thing to remember is that for each dollar of tax credit awarded, more than 10 times that amount is represented in total rental development costs," DeVos said. "From special needs residents in Grand Rapids, to senior citizens in Flint, to working families in Gladstone in the Upper Peninsula, the housing tax credit program is extremely successful in providing housing opportunities for the state's low and very low income residents." According to DeVos, over 70 percent of the \$12,115,992 total was awarded in distressed areas throughout the state. "Over \$12 million was awarded to improve affordable housing opportunities in distressed areas," DeVos said. "That represents 1,396 units of rental housing in areas already suffering from severe economic strain and high poverty levels. The fact that the Authority can help alleviate some of that pressure is very rewarding." DeVos added that the need for housing credits remains high in Michigan while the federally funded dollars needed to provide the housing is shrinking. "As a rule, we are only able to fund about one request for every three to four we receive," he said. According to DeVos, the LIHTC program also plays a key role in bolstering the state's economy through job creation. This round of housing tax credit awards will generate more than 2,500 yearlong jobs in construction and related trades. Since 1987, MSHDA has allocated the Housing Credit program in Michigan, awarding more than \$100 million to assist in the construction or rehabilitation of over 28,000 rental units. Owners and investors in low income housing may apply to receive a tax credit against their federal tax liability if the rental housing has at least 20 percent of its units for households with incomes at or below 50 percent of the area median, or 40 percent of its units reserved for households with incomes at or below 60 percent of the area median. The amount of the credit is based on a percentage of certain costs to renovate or develop housing that will be income-and rent-restricted for at least 18 years. Developers can sell the credit to raise equity for their projects, thus reducing the necessary mortgage financing and making possible lower rents for tenants. For more information, contact MSHDA's Low Income Housing Tax Credit program at (517) 373-6007.

Protecting Michigan Consumers

OFIS Releases the 2005 Buyers' Guide to Home and Renters Insurance: The Office of Financial and Insurance Services (OFIS) 2005 Buyers' Guide to Home and Renters Insurance is online and in hard copy. "Consumers can often save hundreds of dollars by simply picking up the phone and comparing insurance rates," OFIS Commissioner Linda Watters said. "To make this process easier, consumers can use this guide as they shop for the best deal on home insurance." The guide contains information and tips about purchasing homeowners and renters insurance. It also includes the results of an annual survey of insurers offering home, rental and condominium insurance in different areas of the state. This information provides consumers with information about rates charged by these insurers. It is an important part of the overall effort of the Granholm Administration to help protect and aid consumers. OFIS constantly stresses that consumers shop around to receive the best price for home insurance. Consumers who renew insurance, or purchase insurance for the first time, should not assume that the first quote they receive is the best price they can get. The OFIS report is viewable at http://www.michigan.gov/documents/cis_ofis_03homegd_74854_7.pdf.

Mortgage License Application Workshops Scheduled: The Office of Financial and Insurance Services (OFIS) has scheduled mortgage license application workshops for persons intending to go into business as mortgage brokers, lenders, or servicers. These workshops will:

- give basic requirements of a mortgage licensee
- give applicants information to choose the appropriate application form
- show the differences between licensing and registration
- provide specific instructions for completing the application form.
- Time will be allowed at each workshop for questions and answers.

Monthly opportunities to attend a workshop will begin in November at the Ottawa Building located in Lansing at 611 W. Ottawa, Room 3 in the Upper Level (UP) in half-day sessions. Currently scheduled workshops are: Tuesday, November 1, 2005; Thursday, December 1, 2005; and Wednesday, January 11, 2006. Registration, future workshop dates, and directions to the session are available on the OFIS website at <http://www.michigan.gov/ofis>.

Governor Proclaims Oct. 9-15 as Fire Protection Week: Gov. Granholm issued a proclamation in honor of Fire Prevention Week from October 9-15 to encourage homeowners to protect themselves and their families by installing and testing smoke alarms and using precautions while burning candles. "Many people don't realize that they are at greater danger from fire at home than anywhere else," said Andy Neumann, State Fire Marshal. "Fortunately, there are many things residents can do make their homes safer. Fire Prevention Week is the time when we reach out to the community one-on-one, teaching people of every age how to prevent fires. This year, we'll be focusing in particular on candle fires, a serious and growing part of the fire problem." Fire Prevention Week has been sponsored nationwide for 83 years by the National Fire Protection Association (NFPA). This year's theme is: "Use Candles with Care: When you go out, blow out!" Home candle fires have risen steadily over the last decade. In 2004 there were 141 reported fire deaths in Michigan. Only 16.3% of the homes where a fire death occurred had smoke alarms present. Four percent of those devices did not work, most often because of missing, dead or disconnected batteries. "Half of all home fire deaths in Michigan last year resulted in fires reported between 10 p.m. and 6 a.m.," said Neumann. "It is critical to install smoke alarms and test them once a month and replace batteries annually. And if the smoke alarm is more than 10 years old, install a new one. Test your alarm for life." In addition to using candles safely, the Michigan Office of the State Fire Marshal is urging residents to install smoke alarms on every level of the home and in every bedroom, test them monthly and change the batteries annually. All smoke alarms should be replaced with a new unit after 10 years. In addition to maintaining smoke alarms, it is vital that families develop a basic home fire escape plan so they know what to do when a smoke alarm sounds. A fire can spread through a home rapidly. In fact, there may be as little as two minutes to escape safely once the smoke alarm sounds. A downloadable copy of a home fire escape grid is available on the NFPA web site at: <http://www.firepreventionweek.org>.

State's Fire Marshal Asks "Do You Do You Know What to Do After a Fire?": Experiencing a house fire is devastating enough, trying to recover and move forward can be made more difficult by not knowing what to do first. To help make recovering from one of the most devastating life events a little easier, the Office of the State Fire Marshal is encouraging homeowners to prepare for the worst by following some simple fire recovery tips. "Each year hundreds of families are displaced by a house fire in Michigan," said Andy Neumann, State Fire Marshal. "The first thing homeowners need to do is contact the local disaster relief service, such as the American Red Cross or the Salvation Army, to help with immediate needs such as shelter, food, clothing, medicine and other essential items. Also, as tempting as it may be to try and search for items, the homeowner should NEVER enter the damaged fire site without approval from the fire department. Fires can rekindle from hidden, smoldering remains." After the immediate needs have been addressed, homeowners should contact the insurance agent or company. Also, beginning immediately, save receipts for any money spent. These receipts are important to show the insurance company what money has been spent related to the fire loss and also for verifying losses claimed on income tax returns. Once the fire department gives approval, homeowners should try to locate identification, such as driver's licenses and Social Security cards; insurance information; medication information; eyeglasses; hearing aids or other prosthetic devices; valuables; such as credit cards; bank books; cash and jewelry. Also, the homeowners should notify the mortgage company, family and friends, employer, child's school, post office and utility companies of the fire and their current location. When sorting through the fire damage, it's important that homeowners do not throw away any damaged goods until after an inventory is made. All damages are taken into consideration in developing the insurance claim. Important information such as insurance policies - medical, dental, automobile and home, passports, driver's licenses, bank books, wills, social security cards, birth certificates, marriage licenses, divorce papers should be copied and stored in a separate location outside the home. For more information, visit: http://www.michigan.gov/cis/0,1607,7-154-10573_11472-124189--M_2005_8,00.html.

MPSC Hosts Consumer Forums around the State: The Michigan Public Service Commission (MPSC) hosted a series of seven consumer forums around Michigan in September. The forums were designed to inform consumers about changes in the electric, natural gas and telephone industries. MPSC Chairman J. Peter Lark said a major focus of this year's forums was the increase of wholesale natural gas prices and how the increase will affect monthly bills. "My fellow Commissioners and I are concerned about the impact of energy price increases on Michigan's citizens this coming winter," he said. "We believe it is important for utility customers to have time to prepare for winter energy bills and make informed decisions about available options. We welcomed the opportunity to meet utility customers and hear their comments and concerns on these and other important utility issues." Each consumer forum included the latest information on electric and natural gas rates for the winter, opportunities to select an alternative electric or natural gas provider, and the status of local and long distance telephone service.

MPSC to Hold Three Public Hearings on Proposed Stray Voltage Rules: The Michigan Public Service Commission (MPSC) has scheduled three public hearings to receive comments on the proposed stray voltage rules. The State Office of Administrative Hearings and Rules and the Legislative Service Bureau granted informal approvals of the Commission's proposed rules on stray voltage on June 8 and June 15, respectively. As part of the rulemaking process, the Commission has scheduled the following three legislative-type public hearings:

- **Lansing:** 10 a.m., Wednesday, Dec. 7, 2005, Michigan Public Service Commission, 6545 Mercantile Way
- **Plainwell:** 10 a.m., Thursday, Dec. 8, 2005, Plainwell Community Center, 798 E. Bridge St.
- **Lapeer:** 10 a.m., Friday, Dec. 9, 2005, Commission Chambers, Lapeer County Court House, 255 Clay St.

The Commission encourages interested parties to become involved in the proceeding. Comments may be e-mailed to mpscefilecas-es@michigan.gov. Written comments should be mailed to the Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909. All comments should reference Case No. U-13934 and must be received no later than Jan. 3, 2006 in order to be considered. Comments received on this matter will become public information.

MPSC Approves Expanded Local Calling throughout the Upper Peninsula for Four Telephone Companies: The Michigan Public Service Commission (MPSC) approved a request on Sept. 20th of filed by four telephone companies to offer expanded local calling throughout the Upper Peninsula. On March 18, Chippewa County Telephone Company, Hiawatha Telephone Company, Midway Telephone Company and Ontonagon County Telephone Company filed a joint application for approval to implement expanded local calling throughout the entire Upper Peninsula and to implement rates related to the expanded calling plan. On June 16, the MPSC denied the application, questioning whether the extra costs involved would justify the ability to make local calls far removed from their communities of interest. On July 15, the companies filed a petition for rehearing, requesting that the MPSC approved a revised plan for Upper Peninsula-wide local calling. The plan proposed expanding local calling to the entire Upper Peninsula and proposed a rate increase of \$5.69 per line per month for residential users and \$7.42 per line per month for business users. The MPSC found the revised plan to be just and reasonable.

Complaints about Insurance Companies Down in 2004: The Michigan Office of Financial and Insurance Services (OFIS) released its yearly complaint ratios for insurance companies doing business in Michigan. "Complaints were down this year as compared to previous years," said OFIS Commissioner Linda A. Watters. "OFIS and responsible insurance companies are effectively preventing the bad actors from taking advantage of consumers." OFIS is responsible to effectively regulate the insurance industry, and actively receive and respond to complaints or questions about insurance companies from Michigan citizens. Thousands of complaints are received every year regarding insurance companies. Insurance company complaint information is used to track company patterns of practice and compiled into complaint ratios for each insurance company doing business in Michigan that wrote \$1,000,000 or more in premiums in the calendar year. Complaints about health insurance (excluding HMOs), automobile, life, homeowners, and other types of insurance have been counted and compiled into ratios. Complaint ratios are created by dividing the dollar amount (in millions) of written premium into the number of filed complaints. The resulting ratios provide complaint information that can be meaningfully compared across insurance companies, regardless of size. The report lists insurance company ratios by similar types of coverage (e.g. automobile insurance, health insurance, life insurance). Complaints against Blue Cross Blue Shield, HMOs, and insurance companies decreased slightly, showing a 5% decrease from the previous year. Every line of coverage saw slight reductions in the number of complaints over the previous year, with the exception of liability coverage complaints, which increased by 9%. OFIS received 5,513 complaints against insurers in 2004, versus 5,816 in 2003. 2004 was another busy year for OFIS - consumer services staff received 139,411 calls, and 121,998 of these calls were made to the toll-free hotline. Additionally, OFIS staff handled 1,852 consumer inquiries by e-mail. The OFIS web site provides information on how to file a complaint as well as complaint statistics. The statistical breakdown of complaints includes:

- 5,513 total insurance complaints for 2004 (which includes 3,253 Insurance Company Complaints, 781 Blue Cross Blue Shield Complaints, 443 HMO Complaints, and 1,036 other complaints).
- Line of coverage - 2004 complaint totals for accident and health, annuity, automobile, homeowners, and life insurance.
- Complaint reason - 2004 complaint totals for types of complaints like marketing and sales, claim handling, policyholder services, and underwriting.

Complaint ratios are provided as a tool to help consumers choose an insurance company, but other factors such as the following, should be used when comparing companies:

- Premiums charged
- Benefits provided by the contract
- Financial stability of the company
- Levels of service provided
- Health insurance reviews for HMOs posted with the HMO Consumer Guide on this web site.

Consumers should also remember that not every complaint that is filed results in a determination that the insurance provider acted improperly. It is also important to know that this report does not indicate a finding of fault of either party to the complaint; it is just a summary of complaints filed taking into account the amount of business the insurance company does in Michigan.

The information is available on the OFIS web site and can be found at www.michigan.gov in the Consumer Services section. Individual company information is also available by calling OFIS toll free at (877) 999-6442.

Michigan Consumers Warned of Potential Katrina Scams: With the tragic events resulting from Hurricane Katrina, Gov. Jennifer M. Granholm and Office of Financial and Insurance Services Commissioner Linda A. Watters called on Michigan banks, credit unions, and insurance companies to do all they can to assist their customers and members who are victims of the hurricane. Watters added, "Insurance companies and financial institutions need to be flexible with their customers who were in the affected areas. Michigan banks, credit unions and other lenders should work with their counterparts to provide necessary resources and help ensure continuity of banking services." While Michigan residents are encouraged to make donations to the Hurricane Katrina relief efforts, they should also be on guard for scam artists who take advantage of our goodwill and humanity. People should always protect personal information including bank account, credit card, and social security numbers. "Natural disasters lead to exceptional giving by Michigan residents," said Granholm. "Unfortunately, there are always those who try to prey on the generosity of our citizens." People should never contribute to solicitors who they don't know or trust. Trusted charitable giving can be made through the state website at <http://www.michigan.gov> or by contacting the American Red Cross.

OFIS Commissioner Praises Credit Union Efforts to Help Hurricane Victims: Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters issued a letter to the Board of Directors and Management of Michigan State Chartered Credit Unions recognizing their efforts aimed at raising funds for hurricane relief and clarifying that credit unions have the authority to make direct donations for hurricane relief under the recently updated Michigan Credit Union Act. "I wholeheartedly applaud the generosity of Michigan credit unions," said Watters. "I know that many credit unions in Michigan will raise funds in support of hurricane relief efforts. The generosity of credit unions and their members is well documented, and I know that this effort will be highly successful." In Letter 2005-CU-15 (http://www.michigan.gov/documents/CU_KATRINA_letter_136147_7.pdf), Commissioner Watters reminded credit unions that under the Michigan Credit Union Act, credit unions are specifically authorized to make reasonable charitable contributions. Commissioner Watters recognized that the Michigan Credit Union Foundation was accepting donations for hurricane relief efforts.



**Connie
Gorsline**

OFIS Bank Examiners Earn Sheepskins with Honors: Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters announced that two Michigan bank examiners recently earned specialized graduate degrees. Connie Gorsline and Sue Stieber of the Bank and Trust Division graduated with honors from the Graduate School of Banking at Colorado as part of the 2005 class. Connie is an examination manager in the division's west region and has been an examiner for 14 years. She is also a certified public accountant. Sue is an exam manager in the division's east region and has been with the division 15 years. She is a certified bank auditor. Commissioner Linda A. Watters remarked, "These accomplishments are worthy of special attention because the education and knowledge they have obtained will directly benefit Michigan consumers. OFIS is fortunate to have a highly trained professional staff dedicated to the protection of consumers through oversight of our state chartered financial institutions." Ms. Gorsline and Ms. Stieber continue a tradition of professional development of Bank and Trust Division staff through graduate schools of banking that dates from the 1980s. Fourteen current and former Michigan bank examiners have completed graduate banking degree programs. The Bank and Trust Division

has 39 examiners who monitor the condition of Michigan's state-chartered banks, savings banks, and Business and Industrial Development Companies (BIDCOs). The Division ensures that these organizations are operating safely and soundly, that public confidence in the financial system is maintained, and that the interests of depositors, creditors and shareholders are protected. Currently there are 132 FDIC-insured state-chartered banks, six not-FDIC-insured state-chartered banks, five state-chartered savings banks, and four BIDCOs in Michigan. Thirty of the banks and three of the savings banks are approved to exercise trust powers.

Promoting Energy Efficiency

Kenowa Hills Public Schools Receives ENERGY STAR Building Label: Kenowa Hills Public Schools received the ENERGY STAR Building Label for Zinser Elementary School. The ENERGY STAR Building Label is awarded to buildings that exhibit the highest level of energy efficiency without sacrificing occupant safety and comfort. Energy benchmarking compares the energy performance of similar buildings and is an outstanding tool for improving buildings and lowering energy costs. Labeled buildings in the top 25 percent receive national recognition. Zinser Elementary will receive a bronze plaque from the U.S. Department of Energy (DOE) and the Environment Protection Agency (EPA) to mount in the building entrance visible to occupants, visitors and community members. "West Michigan schools have been leading the state as models of energy efficiency," Gov. Granholm said. "Zinser Elementary is an example of how school districts can help save taxpayers dollars and ensure more money is dedicated to the students and teachers rather than utility bills." ENERGY STAR is a voluntary partnership between government, business and individuals dedicated to protecting our environment for future generations by implementing energy-efficient practices today. Last year alone, ENERGY STAR helped businesses and consumers save more than \$10 billion in energy costs while reducing greenhouse gas emissions equivalent to those generated by 20 million cars. The DLEG Energy Office currently offers an incentive to encourage Michigan school districts and municipalities to benchmark the energy performance of their buildings and apply for the ENERGY STAR Label. Information on ENERGY STAR is also available at www.energystar.gov. Information on incentives and other Energy Office programs is available at <http://www.michigan.gov/energyoffice>. For additional information, Brandy Minikey, Energy Office Engineer, at (517) 241-8235.

National Energy Efficiency Forum Recognizes Governor Granholm: The National Energy Efficiency Forum recognized Gov. Granholm for her efforts to promote energy efficiency within state government. Granholm received the Forum's Governor's Award recognizing her efforts to promote energy efficiency in state facilities through Executive Directive 2005-4. The directive requires state government to reduce energy use 10% in all state-owned and operated buildings by 2008 and reduce state purchases of grid-based energy 20% by 2015. Completed audits of state-owned facilities show that the state can potentially save \$4 million by becoming more energy efficient. The state has already made changes in accordance with Granholm's executive directive and is now using energy efficient light bulbs, requiring newly acquired electronics and appliances to be Energy Star, and adding hybrid cars to the state's fleet.

MPSC Seeks Comments on Detroit Edison Renewable Energy Program: The Michigan Public Service Commission (MPSC) is seeking public comment by Oct. 14 on Detroit Edison's proposed renewable resources program. The Commission on Nov. 23, 2004 directed Detroit Edison in Case No. U-13808 to implement a renewable energy program. The company filed an application seeking approval of a proposed renewable resources program on July 1. Under the utility's proposal, residential customers would elect to purchase either 50 percent or 100 percent of their electric energy requirements from renewable resources for a price premium of 2 cents per kilowatt-hour (kWh). Non-residential customers would have two options: a 2 cent per kWh price premium applied to either 50 percent or 100 percent of the customer's monthly electric energy or to contract for the monthly purchase of any number of 1,000 kWh fixed increments (blocks) of renewable energy. Under the second option, the price premium would be 2 cents per kWh for the first 3,000 blocks and 1.8 cents per kWh for all additional blocks consumed annually. Detroit Edison's proposed program is designed to accommodate about 1 percent of the company's residential sales prior to the end of 2006 and 2 to 3 percent of residential sales by the end of 2008. It would initially use renewable energy credits sourced from the Great Lakes region. A renewable energy credit (REC) is a tradable certificate of proof that one kWh of electricity has been generated by a renewable-fueled source and then sold to an end-user in the state. Under its proposal, Detroit Edison would initially use revenues from the renewable resource program to purchase RECs to meet customer demand for renewable energy and to cover the administrative costs of the program. In seeking public comment, the MPSC is particularly interested in the appropriateness of a program design that would give greater weight to supplier proposals on the basis of their location within Detroit Edison's service territory and the state of Michigan. The Commission has selected this case for participation in its paperless electronic filings program. For those individuals already participating in the electronic filings program should file as they normally would. Other comments may be e-mailed to mpscefilecases@michigan.gov. Written comments should be mailed to the Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. All comments should reference Case No. U-14569 and must be received no later than 5 p.m. on Oct. 14. Comments received on this matter will become public information.

Assisting Michiganians with Disabilities



Pat Cannon, Gov. Granholm's disability policy advisor, addresses the crowd at a celebration picnic in honor of the 15th anniversary of the Americans with Disabilities Act. Also shown, from left, Ellen Weaver and Kristin Purdy.

Celebration Picnic for 15th Anniversary of ADA: July 26, 2005 marked the 15th anniversary of the Americans with Disabilities Act (ADA). At a celebration picnic hosted at Lansing's Potter Park, Patrick Cannon, state director of DLEG's Michigan Commission for the Blind and Gov. Granholm's disability policy advisor, spoke of the progress made under the ADA and the importance of focusing on people's abilities. In today's economy, employers want workers with specific abilities and skills. With this in mind, the Michigan Commission for the Blind partners with employers, providing free services to help them hire and/or retain qualified employees experiencing vision loss. "We partner with employers to create solutions that work," said Cannon. "We focus on a worker's ability to do the job and do it well, which benefits both the employer and the employee." For more information, contact the Michigan Commission for the Blind toll-free at 1-800-292-4200.

DLEG Awards Nearly \$1 Million in Grants for People with Disabilities: The Michigan Department of Labor & Economic Growth (DLEG awarded nearly \$1 million in grants to provide specialized assistance in finding, securing, and maintaining employment for adults with disabilities released from correctional facilities. "This grant will strengthen services for persons with disabilities," said Gov. Jennifer Granholm, "furthering our mission to promote economic and workforce development, stimulate job creation, and enhance the quality of life for Michigan citizens." Twenty-three grants totaling \$951,879 were awarded to 19 community rehabilitation organi-

zations across the state. The grants are comprised of federal and local funds. The federal portion is funded under the Rehabilitation Act of 1973, as amended. The local portion is provided by the community rehabilitation organization. The grants are issued by a bureau of DLEG, Michigan Rehabilitation Services (MRS), which collaborates with agencies such as Alternative Community Living, New Passages in a mutual goal of assisting Michigan residents with disabilities into the workforce. MRS operates 36 offices throughout the state that provide job preparation and placement services for persons with disabilities. For more information about the grants, visit: http://www.michigan.gov/cis/0,1607,7-154-10573_11472-124362--M_2005_8,00.html.



**Michael
Sagataw**



**Mike
La Hote**



**Randy
Graise**

Small Business Owners With Disabilities Honored: DLEG hosted its fourth annual Small Business Recognition Awards Banquet on August 11 to celebrate the achievements of small business owners with disabilities and the services provided by human service professionals who support their endeavors. Nine separate awards were presented by three disability-related state agencies housed within DLEG: Michigan Rehabilitation Services (MRS), Michigan Commission for the Blind (MCB), and Michigan Commission on Disability Concerns (MCDC). The award recipients are:

- **MRS Director's Award:** Cathy McClelland, president and CEO, Detroit Entrepreneurship Institute, Inc.
- **MCDC Inclusive Community Award:** City of Wyoming
- **MCB Employee Award:** Raymond Kirklin, MCB rehabilitation counselor, Saginaw
- **MCB Consumer Entrepreneur Award:** Mike La Hote, Petersburg, MI, owner, MFP Motor Sports, Sylvania, Ohio
- **MRS Small Business Development Lifetime Achievement Award, "Heidi Van Arnhem Award":** Randy Graise, founder and CEO, RanDel Enterprises, Southfield
- **MRS Small Business Resource Award:** Patt Konstenius, Pelkie
- **MRS Small Business Service Award:** Alexa Matthews, MRS rehabilitation counselor, Midland
- **MRS Small Business of the Year Award:** Joseph (Mike) Sagataw, Hiawatha Basket Company, Wilson
- **MRS Small Business Champion of the Year Award:** Jackie Tahtinen, MRS site manager, Marquette/Upper Peninsula

Employment Readiness Seminar Held in Jackson: On Sept. 1, the Michigan Commission for the Blind (MCB) held an Employment Readiness Seminar for MCB clients in Jackson. The program was designed to provide MCB clients who are seeking employment with essential information and skills for their job search. Guests speakers included Karen Larson of the Social Security Administration and Courtney Trunk of The Arc Michigan, who spoke on how work affects SSA benefits, as well as Lupe Hamden of South Central Michigan Works!, who explained her organization's services for job seekers. During the afternoon, participants had a series of four mock job interviews. "This seminar is an opportunity for our clients to learn and practice the skills they'll need during a job search," said Elizabeth White. "The knowledge is essential, but it's equally important to have some practical experience with the process, which we simulate with the mock interviews." The next MCB Employment Readiness Seminar will be held October 20 in Bay City. For more information on the Michigan Commission for the Blind's free services for employers and job seekers, call 1-800-292-4200 toll-free or see <http://www.michigan.gov/mcb>.

MCB Sponsors CAMW Fall Job Expo: The Michigan Commission for the Blind (MCB) was one of five sponsors of this year's Capital Area Michigan Works! Fall Job Expo at the Lansing Center on September 20 in Lansing. The event was an opportunity for employers to find qualified workers, and for job seekers (including but not limited to those who are blind or visually impaired) to find employment. In addition to MCB and Capital Area Michigan Works, event sponsors included Lansing Community College, the Lansing State Journal, and Fox 47. The Michigan Commission for the Blind hosted a booth at the event to provide information on MCB's free services. The Michigan Commission for the Blind (MCB) provides free services for employers to help them employ and retain qualified employees who are blind or visually impaired. MCB also provides free services for people who are blind or visually impaired to help them achieve employability and independence.

MCB/Special Needs Hosts Vision Clinic Open House: The Michigan Commission for the Blind and the Special Needs Vision Clinic held a one-day open house in August at the Saginaw clinic. The purpose of the event was to demonstrate some of the free and low-cost services available to people of all ages, including seniors, from the Michigan Commission for the Blind and the Special Needs Vision Clinic, a part of the Millet Learning Center. For more information about the Special Needs Vision Clinic, call 989-777-1040.

Developing a 21st Century Workforce

Grant Secures Manufacturing Jobs at Benteler Automotive in Auburn Hills: A \$43,628 Economic Development Job Training grant to upgrade the skills of 53 workers at Benteler Automotive in Auburn Hills was announced by Gov. Granholm. The funding, provided by the MEDC, will help 53 current employees receive state-of-the-art process improvement training. Oakland University will be the grant administrator and Benteler will provide a minimum 25 percent funding match. Benteler Automotive Corporation is a wholly owned subsidiary of Benteler AG, based in Germany. The Tier 1 automotive supplier operates several plants in Michigan manufacturing safety and structural components, chassis products, exhaust systems and tubular products used in engine applications.

Governor Announces Funding to Boost High-Tech Worker Skills at Gentex: Gov. Granholm announced a \$176,100 Economic Development Job Training grant to boost the skills of 180 workers at Gentex Corporation in Zeeland. The grant, provided by the Michigan Economic Development Corporation, will provide employees with specialized technical, information technology, applied academic, equipment and other high-tech process training. Under the terms of the award, the Ottawa Chamber Foundation will be the grant administrator with Gentex providing a minimum 25 percent funding match. Founded in 1974, Gentex Corporation is an international company headquartered in Zeeland that supplies state-of-the-art electronic products for the global automotive industry and the North American fire protection market.

Job Training Boosts Worker Skills in Manistee, Ludington, Spring Lake: As announced on September 8 by Gov. Granholm, Economic Development Job Training grants awarded to three Michigan companies will be used to provide state-of-the-art training in manufacturing processes as well as managerial and information technology skills to a total of 390 employees. The grants were awarded by the MEDC.

- An EDJT grant of \$148,000 will be used to upgrade the skills of 283 current workers and 13 new hires at Metalworks in Ludington and sister company Fab-Lite Inc. in Manistee. Under the terms of the award, West Shore Community College will be the grant administrator with Metalworks providing a minimum 25 percent funding match. Metalworks and Fab-Lite manufacture metal filing and storage products for the office furniture market.
- A \$48,990 EDJT grant will be used to upgrade the skills of 54 current workers and 40 new hires at BR Metals in Spring Lake, a company that specializes in metal stamping and engineering as well as secondary operations such as welding and assembly for the automotive industry. The Northwest Ottawa Chamber Foundation will administer the grant with the company providing a minimum 25 percent funding match.

Job Training Boosts Worker Skills at Saline Electronics, Chrysler Sterling Heights: Gov. Granholm announced that Economic Development Job Training grants provided by the MEDC will be used to provide technical process training to workers at Saline Electronics and the DaimlerChrysler Sterling Heights plant. An EDJT grant of \$16,500 will be used to upgrade the skills of 33 workers at Saline Electronics Inc., an electronic contract manufacturing company in the city of Saline. The funding, provided by the Michigan Economic Development Corporation, will provide workers with state-of-the-art technical process training. Under the terms of the award, Washtenaw Community College will be the grant administrator with Saline Electronics providing a minimum 25 percent funding match. Saline Electronics' services include electrical design engineering, advanced manufacturing technologies and circuit board assembly and testing. The company currently has 62 employees. A grant of \$500,000 in EDJT funding will be provided to upgrade the skills of 750 workers at Chrysler Group's stamping and assembly operations in Sterling Heights. It will be used for specialized maintenance, trades, new equipment and high-tech process training. Under the terms of the award, Oakland Community College will be the grant administrator with Chrysler Group providing a minimum 25 percent funding match. In March, Chrysler Group announced it would invest more than \$506 million to retool and improve the Sterling Heights plant thanks to a tax credit valued at \$18.8 million offered by the MEDC. A University of Michigan economic analysis estimates the company's investment will retain a total of 20,782 Michigan jobs, including 5,123 directly by the company. Since 1994, more than \$260 million in EDJT gra

Governor Granholm Announces \$3,000,000 for Training Program for Michigan Workers: Gov. Granholm recently announced that \$3,000,000, in federal funds will be awarded to the 25 Michigan Works! Service Centers across the state. The money will be used to advance the skills of Michigan workers through the Incumbent Worker Program. "These funds will help Michigan's employers maintain and upgrade their workforce, while at the same time help our workers obtain the skills necessary to advance in their career field," Granholm said. The goal of the Incumbent Worker Program is to help avert layoffs by upgrading the skills of the participants. The program also supports the efforts of local companies to fill any vacancies that may be created by the promotion of employees through this program with participants from other DLEG -funded programs, such as the Workforce Investment Act program, Work First, and programs for people with disabilities. Funding for the operation of Michigan Works! Service Centers is made available under the federal Workforce Investment Act, administered through the Department of Labor & Economic Growth. To see table, visit http://www.michigan.gov/cis/0,1607,7-154-10573_11472-123586--M_2005_8,00.html.

\$600,000 Grant Awarded to Assist Low-Income Detroit Residents: DLEG announced \$600,000 in Temporary Assistance for Needy Families funding has been awarded to the Detroit Workforce Development Department, a Michigan Works! Agency serving the city of Detroit. The grant will be used to provide supportive services such as automobile-related expenses and transportation allowances for individuals participating in the Work First Program. "The funds will assist Detroit Work First participants as they strive to enter the workforce and become independent," said Gov. Granholm. The goal of Work First is to assist Michigan's low-income citizens in obtaining jobs or higher paying jobs, reducing or eliminating their need for public assistance. Funding for Work First is provided by the State of Michigan and the U.S. Department of Health and Human Services and is administered by the Michigan Department of Labor & Economic Growth, Bureau of Workforce Programs.

Gov. Granholm Announces \$425,000 in Displaced Homemaker Program Awards: The Department of Labor & Economic Growth (DLEG) announced it has awarded \$425,000 in federal grants to help long-time homemakers make a necessary transition into the workforce. "This funding is vital to ensuring that homemakers entering the workforce receive the employment and training services they need in order to achieve and retain full-time employment," said David Hollister, director of DLEG. The federal Displaced Homemaker Program provides services – including vocational counseling and testing; job search training skills; job placement assistance; direct job training and referrals to community resources – to citizens who have spent several years as unsalaried homemakers who now need immediate help to become financial providers for themselves or their families. Newly-widowed citizens or long-time stay-at-home parents whose spouses have suffered a debilitating injury often are assisted by the program. Funding is made available through the federal Workforce Investment Act, and is administered by the Department of Labor & Economic Growth. The funds will go to Michigan's 11 Michigan Works! Agencies and are viewable at http://www.michigan.gov/cis/0,1607,7-154-10573_11472-124490--M_2005_8,00.html.